



Media Release: Friday, February 6, 2015, 4:30 p.m.

## **Regional Municipality of Waterloo**

### **Economic Development and Promotion Committee**

#### **Agenda**

Wednesday, February 11, 2015

10:30 a.m.

Regional Council Chamber

150 Frederick Street, Kitchener, ON

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**1. Election of Chair**

**2. Declarations of Pecuniary Interest Under The Municipal Conflict of Interest Act**

**3. Reports**

**Interdepartmental**

- a) [CAO-15-01/PDL-ECD-15-01](#), Strengthening Our Economy - Waterloo Region Economic Development Implementation Update 1

**Finance**

- a) [COR-TRY-15-13](#), Approach to Economic Development and Promotion Grants 34

**4. Other Business**

**5. Adjourn**



**Report:** CAO-15-01/PDL-ECD-15-01

## **Region of Waterloo**

### **Office of the Chief Administrator**

### **Planning, Development and Legislative Services**

### **Commissioner's Office**

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**To:** Economic Development and Promotion Committee

**Date:** February 11, 2015

**File Code:** D02-20

**Subject: Strengthening Our Economy - Waterloo Region Economic Development Implementation Update**

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#### **Recommendations:**

That the Regional Municipality of Waterloo take the following actions regarding Economic Development in Waterloo Region:

Approve the first Waterloo Regional Economic Development Strategy dated December 2014, developed in partnership with all Area Municipalities as described in Report CAO-15-01/PDL-ECD-15-01, dated February 11, 2015.

Direct staff to implement and promote the Waterloo Regional Economic Development Strategy in support of existing economic prosperity and as a means of attracting new investment.

Approve the framework and financial model for a new Waterloo Region Economic Development Corporation (WREDC) as described in Report CAO-15-01/PDL-ECD-15-01, dated February 11, 2015, subject to approval of the 2015 budget.

Authorize the CAO to enter into such agreements as necessary to implement the WREDC, with such agreements to be satisfactory to the Regional Solicitor.

Thank the members of the Economic Development Advisory Committee for the time and expertise they dedicated to advancing these new economic development initiatives in the interest of further supporting the regional economy and broader community prosperity.

**Summary:**

In 2012, the Region of Waterloo and all seven Area Municipalities jointly commissioned a study by Malone Given Parsons Ltd. to look at the efficiency and effectiveness of economic development delivery in Waterloo Region. The Study, completed in April 2013, recommended a new approach to the delivery of economic development services throughout the region. The key recommendations included creating the first ever Waterloo Region Economic Development Strategy (the Strategy) and launching a new Waterloo Region Economic Development Corporation (WREDC). The Region and all seven Area Municipal Councils endorsed these recommendations in principle.

A Steering Committee, consisting of the CAOs of the Area Municipalities and the Region, as well as the CEO of Canada's Technology Triangle Inc. (CTT), was established to oversee the development of the region-wide Economic Development Strategy and to investigate options for the new Economic Development Corporation. To support the Steering Committee, a Task Force was established comprised of Regional and Area Municipal economic development staff and a CTT representative. In addition, an Advisory Committee of knowledgeable community leaders from diverse backgrounds was established to provide valuable advice and guidance throughout this process (please see Attachment 1).

The Strategy is now complete and is available in the Regional Councillors' library and online at <http://wreds.ca>. The Steering Committee and Advisory Committee have reviewed and endorsed the Strategy and its recommendations. The Executive Summary is appended to this report (please see Attachment 2). This is the first time an Economic Development Strategy has been developed to comprehensively support the entire regional economy. The Region and the Area Municipal CAOs would like to thank the Advisory Committee for their support in achieving this significant milestone.

The new WREDC is to complement and support, but not duplicate, the collaborative efforts of the Area Municipal and Regional economic development teams. The new WREDC would assume a variety of economic development functions at a region-wide scale and be governed by a Board of Directors, expected to be 9 to 12 members. The Board of Directors is to be skills-based and provide governance, strategic direction, and organizational oversight to the Chief Executive Officer (CEO) of the new WREDC. The Region and Area Municipalities expect a wide range of benefits from their investment in the new WREDC, including access to new marketing and communication material, new

capacity to promote investment in infrastructure, services and business, as well as new resources to identify and support strategic growth sectors (please see Attachment 4).

This report also provides updates on other recommendations from the Study, which include:

- Launching a new Region of Waterloo Office of Economic Development;
- Preparing the East Side Strategic Employment Lands in Cambridge for new development opportunities;
- Requesting that the Province of Ontario further amend the Municipal Act to add the Regional Municipality of Waterloo to the list of Upper-tier Municipalities that are assigned authority to acquire, develop, and dispose of sites for industrial, commercial and institutional uses; and
- Investigating a Special Purpose Corporation to purchase, hold and dispose of strategic employment lands in Waterloo region.

#### **Report:**

In 2012, the Region of Waterloo and all seven Area Municipalities jointly commissioned a study led by all eight Chief Administrative Officers to look at the efficiency and effectiveness of economic development delivery in Waterloo Region. Malone Given Parsons Ltd. (MGP) was retained and completed the study “Waterloo Region Economic Development Study: Assessment of Economic Development Services and Provision of Employment Lands” (the Study) in April 2013. The results of the Study were presented at an All Council meeting on May 2, 2013 and the recommendations formally approved by Regional Council (as described in staff report P-13-060/CA-13-003 dated June 5, 2013). All of the Area Municipal Councils also endorsed the Study in May and June 2013.

The joint Study recommended a new approach to the delivery of economic development services throughout the region. The action items identified as part of this process and endorsed by Regional and Area Municipal Councils included:

1. Creating a Waterloo Region Economic Development Strategy;
2. Advancing a new Waterloo Region Economic Development Corporation;
3. Preparing the East Side Strategic Employment Lands in Cambridge for new development opportunities;
4. Requesting that the Province of Ontario further amend the Municipal Act to add the Regional Municipality of Waterloo to the list of Upper-tier Municipalities that are assigned authority to acquire, develop, and dispose of sites for industrial, commercial and institutional uses; and

5. Investigating a Special Purpose Corporation to purchase, hold and dispose of strategic employment lands in Waterloo region.

A Steering Committee was established, consisting of the CAOs of all of the Area Municipalities and the Region, as well as the CEO of Canada's Technology Triangle Inc. (CTT), to oversee the creation of the region-wide Economic Development Strategy and to investigate options for a new Economic Development Corporation. To support the Steering Committee, a Task Force comprised of Regional and Area Municipal economic development staff, and a CTT representative, was established to implement the study's recommendations and to define the specific roles and responsibilities of the WREDC, the Area Municipalities, the Region, and other partner organizations. In addition, an Advisory Committee of knowledgeable community leaders from diverse backgrounds was established to provide valuable advice and guidance throughout this process. The membership of the Advisory Committee is listed in Attachment 1.

This report provides an update on progress to date, and recommends a series of actions to implement the broader direction previously given by Regional Council and all Area Municipal Councils.

### **1. Creation of a Waterloo Region Economic Development Strategy (the Strategy)**

In August 2014, the Waterloo Region Economic Development Strategy was endorsed in principle by Regional Council and all Area Municipal Councils, and their respective staff were given direction to develop a detailed implementation plan for consideration (please see Report No. CA-14-008/P-14-083).

The Strategy is now complete and is available in the Councillors' library and online at <http://wreds.ca>. The Steering Committee and Advisory Committee have both reviewed and endorsed the Strategy and its recommendations, which are summarized in the Executive Summary included in Attachment 2. This is the first time a region-wide Economic Development Strategy has been developed, and its completion achieves one of the primary recommendations from the 2013 Study.

The Strategy is a roadmap for the Region, all seven Area Municipalities and a broad range of community stakeholders to cooperatively support the ongoing economic prosperity of Waterloo region. The Strategy's vision is "to be Locally Rooted, Internationally Competitive and Globally Renowned". The Study's four strategic goals aim to fulfill this vision. They include:

**Goal 1:** To be the premier location for innovation and entrepreneurship.

**Goal 2:** To be the most competitive location for new and expanding companies and institutions.

**Goal 3:** To be a resilient, engaged, and dynamic economic ecosystem.

**Goal 4:** To be a community of choice for talented people.

To jointly achieve these Goals, the Strategy identifies twenty-two Strategic Objectives and forty-three specific Actions. The implementation of the various actions will be led by the new Waterloo Region Economic Development Corporation, the Area Municipal economic development offices, and the Region of Waterloo Office of Economic Development (please see Attachment 3 for roles and responsibilities). The Strategy also brings together a wide range of key stakeholders and allied organizations, including both Chambers of Commerce and the small business centres.

The successful completion of the Strategy involved the collaborative efforts of the Area Municipalities and Region, as well as extensive community and partner involvement (including CTT and the Chambers of Commerce). These efforts were summarized at the June 19, 2014 All Council Meeting, where Regional and Area Municipal staff, along with Malone Given Parsons Ltd (MGP), presented an overview of the Waterloo Region Economic Development Strategy, which involved:

- Regular consultation with CTT and its Board of Directors, the Advisory Committee, as well as Area Municipal economic development staff;
- Updates at All Council meetings;
- A series of stakeholder sessions;
- A project website, which was included in all public documents and advertisements, as well as a link on the Region of Waterloo's website; and
- A public Open House held May 15, 2014.

The Advisory Committee also dedicated its valuable time and expertise to advancing the new economic development initiatives outlined in the Strategy. Led by Chair Gerry Remers, President and CEO of Christie Digital Systems Canada Inc., the advice of this group was invaluable for guiding the development of the Strategy's proposed directions.

## **2. Waterloo Region Economic Development Corporation (WREDC) Framework**

At the June 19, 2014 All Council meeting, the Steering Committee provided an update regarding the proposed new Waterloo Region Economic Development Corporation (WREDC). During the summer of 2014, Regional Council and all Area Municipal Councils formally endorsed the creation of the new arms-length organization in principle, subject to the development of the necessary implementation and transition plans and subsequent Council approvals (please see report CA-14-008/P-14-083).

The Region of Waterloo and all seven Area Municipalities already make a significant investment in economic development. However, there is broad agreement among all

stakeholders that collaboration needs to improve, with a stronger focus on a regional approach to economic development. The region has lost opportunities to attract businesses because of the lack of a region wide focus on economic development.

The Strategy identified several economic development service gaps in the current approach, which will be addressed by the WREDC (please see Attachment 3). For example, feedback from the Advisory Committee and other stakeholders indicated that the current economic development brand for the region is confused and there needs to be a more coordinated approach. There are also no regional action plans to help develop key growth sectors, such as Health Science and Pharmaceuticals, Finance and Insurance, and Manufacturing. A high priority for the WREDC is to develop these action plans and to work with its stakeholders to create and implement coordinated marketing and communication plan. The WREDC will also manage the implementation of the Strategy, which involves ongoing coordination with the Region, Area Municipalities and other stakeholders.

To accomplish the region-wide goals of the Strategy, and to enhance the collective capacity of economic development efforts in Waterloo region, staff recommend approval of additional resources to support the WREDC. The new organization is to complement and support, and not duplicate, the existing collaborative efforts of the Area Municipal and Regional economic development teams. The Task Force, which includes Regional and Area Municipal economic development staff and a CTT representative, refined a list of specific roles and responsibilities for the WREDC, the Area Municipalities, and the Region, which correspond directly with the Goals and Actions of the Strategy. A summary of these roles and responsibilities are outlined below and are further detailed in Attachment 3 of this report.

### **Benefits of the WREDC**

The Region and Area Municipalities expect a wide range of benefits from their investment in the new WREDC. These benefits are summarized in the value for money analysis in Attachment 4. The primary benefits include:

- Access to new regional marketing and communication material to help attract and retain investment, businesses, and people.
- Access to shared data and analysis.
- New capacity to promote public and private investment in infrastructure, services, and business.
- Third-party resources to support the economic development efforts of the Region and Area Municipalities.
- New resources and expertise to help identify and support strategic growth sectors as key regional assets.

## Roles and Responsibilities

### a) WREDC

The new WREDC is to assume a variety of economic development functions that are best done at a region-wide scale, such as:

- Managing the implementation of the Waterloo Region Economic Development Strategy.
- Investment attraction to Waterloo Region – including building a strong case (value proposition) for investing in the region's key growth industries.
- Liaise with Provincial and Federal government efforts to attract industry and grow key sectors of the economy.
- Collaboration with other economic jurisdictions for the broader promotion of Waterloo Region.
- Marketing and promotion of the region.
- Identify and support key growth sectors.
- Talent development and people attraction (working with partners).
- Data and research to support region-wide economic development activities.

The WREDC will assume the Foreign Direct Investment and investment attraction role currently provided by Canada's Technology Triangle (CTT). After incorporating the WREDC in 2015, these CTT activities will transition to the new organization in late 2015/early 2016. The Steering Committee and CTT Board of Directors have developed a transition plan to ensure a smooth transition of these important activities from CTT to the new WREDC. This transition plan was recently supported unanimously by the CTT Board of Directors.

### b) Area Municipalities

The WREDC will complement and support, and not duplicate, the collaborative efforts of the Area Municipal economic development teams. These teams will continue to deliver economic development services at the local level undertaking functions such as, but not limited to:

- Business Attraction in collaboration with the WREDC as well as activities deemed necessary to achieve objectives specific to the local municipality.
- Marketing and promotion of the local municipality including development and maintenance of data for use in products such as community profiles, promotional materials and newsletters etc.
- The Cities will continue the operation of the Waterloo Region Small Business Centres.

- Business Retention and Expansion programs which include corporate visitation, issue identification, infrastructure needs assessment, etc.
- Work with other municipal departments to drive economic development from all sectors of Municipal services and ensure a supply of redevelopment, intensification and greenfield commercial and industrial opportunities.
- Local development incentive programs.
- Maintain a network of Federal and Provincial contacts to ensure business support programs and attraction services are available to existing and prospective businesses.
- Local brand development in relation to the WREDC brand.

### **c) Region of Waterloo Office of Economic Development (OED)**

As part of the Region's 2014 organizational review, a new Office of Economic Development (OED) was established effective November 3, 2014. The Manager of Economic Development reports directly to the Commissioner of Planning, Development and Legislative Services. The roles of the OED identified with the assistance of the Task Force include:

- Provide data and research support for economic development.
- Develop a Central Transit Corridor Investment Strategy in partnership with the Area Municipalities to support employment growth along the ION Rapid Transit corridor (Community Building Strategy – Priority Project 3).
- Key growth sector analysis.
- Inventory of available urban and greenfield land.
- Economic development advocacy within the Region of Waterloo (e.g. promoting as a corporate entity the Region of Waterloo International Airport).
- Promote a sustainable rural and urban land use fabric.
- Aligning the regional economic development strategy and planning priorities and servicing needs (e.g. advancing the East Side Strategic Employment Lands with the City of Cambridge, which requires Regional infrastructure and could further encourage new aviation-related development).

## **Reporting and Accountability**

An economic development partnership agreement will be developed to clarify and formalize the relationship between the new WREDC, the Region, and all seven Area Municipalities. It will define the mandate of the new WREDC and detail the roles and responsibilities of each partner, and any advisory or liaison committees. It will identify criteria which will be used to evaluate the new corporation, as well as its communication protocols and expectations for annual reports.

It is anticipated that the WREDC will report annually at an All Council Meeting. Individual reports would also be provided to Area Municipal and Regional Councils, upon request. Regional Council's Economic Development Committee may be the appropriate venue for periodic reports from WREDC to the Region. To further enhance accountability between the WREDC and the Regional area municipalities, it is also proposed that the Board Selection Committee continue to play a role in appointing Board members.

The partnership agreement will also include the financial commitments of each municipal partner.

## **New WREDC Board of Directors**

It is proposed that the Board of Directors of the new WREDC will be a skills-based board consisting of 9 to 12 members. The Board will provide governance, strategic direction, and organizational oversight to the CEO of the new WREDC. The Board would consist primarily of private sector members from a broad cross-section of employment sectors and areas across the region, as discussed in Report No. CA-14-008/P-14-083.

A skills-based Board of Directors will be important for the success of the WREDC and the implementation of the new Strategy. The approval in principle by Regional Council in report CA-14-008/P-14-083 identified that a Selection Committee consisting of the Regional Chair, the three City Mayors, one Township Mayor, and several private sector members from the Advisory Committee be responsible for selecting the Board of Directors. A Regional and Area Municipal staff team was formed to support the Selection Committee.

Advertising for the Board of Directors began in January 2015. The deadline for applications is February 25, 2015. The Selection Committee will select the members of the Board of Directors in the spring of 2015 and will advise their respective Councils and other stakeholders when the Board of Directors is finalized. The members of the Selection Committee are listed in Attachment 5.

## Priorities for 2015

There are a number of important actions planned for 2015 to continue implementing the Strategy and to ensure the WREDC is operational in 2016. The key milestones are:

1. Appointing the new WREDC Board of Directors.
2. Finalizing Implementation and Transition Plans, including the transition of CTT roles to the WREDC.
3. Incorporating the WREDC. The Region and Area Municipalities have the authority to establish an economic development corporation pursuant to the Municipal Act.
4. Hiring a Chief Executive Officer (CEO). The new Board of Directors, once established, will hire the new CEO. The CEO would then be responsible for hiring the remaining staff complement.
5. Implementing the 2015 actions identified in the Strategy (e.g. conducting an investment readiness analysis with the Region and Area Municipalities).
6. Advocating for authority from the Province for the Region of Waterloo to acquire, develop, and dispose of sites for industrial, commercial and institutional uses.

It is anticipated that the Board of Directors for the new WREDC will be selected by late March 2015, and that the WREDC CEO would be in place by summer 2015. The Board and CEO would develop a more detailed operational and staffing plan, and hire key staff over the fall of 2015, so that the new organization would be operational by late 2015.

During 2015 CTT will continue to deliver its important investment attraction/foreign direct investment activities. It will also assist with the start-up of the new WREDC as needed, to ensure the rapid start-up and smoothest possible transition of investment attraction to the new organization. CTT's functions will be fully transferred to the new organization by late 2015/early 2016, and CTT would cease being the operating entity for Regional economic development at that time.

## Budget and Funding Model

The Waterloo Region Economic Development Strategy is an ambitious document that builds on each municipality's common interest in the ongoing economic success of Waterloo Region. Implementing its 43 actions will require the ongoing coordination of both Area Municipal and Regional economic development efforts, as well as the new resources proposed for the WREDC.

Recognizing that the new WREDC will have significantly greater responsibilities than CTT, it is proposed that the municipal funding for WREDC would be approximately double the current municipal funding for CTT. This increase from the current funding

level of approximately \$950,000 per year to the proposed funding level of \$2,000,000 per year would be phased in between 2015 and 2017, as shown in Table 1.

The proposed funding distribution is based on the current CTT funding, where the Region contributes approximately half of the total municipal funding, and each of the three cities contributes approximately equal amounts. In the proposed funding model, the relative contributions from the four Townships would increase incrementally over the next 3 years. Table 1 (below) provides additional details on the four-year financial commitment requested for the WREDC. It is recommended that each municipality commit funding to the new organization through to the end of 2018, to provide funding certainty to facilitate the successful start-up of the new corporation. Each Council is considering their budget commitment through the 2015 budget deliberation process.

**Table 1: Proposed WREDC Funding Model**

	<b>2014 Funding</b>	<b>2015 Funding</b>	<b>2016 Funding</b>	<b>2017 Funding</b>	<b>2018 Funding</b>
<b>Cities</b>					
Cambridge	\$157,118	\$200,000	\$320,000	\$320,000	\$320,000
Kitchener	\$160,197	\$200,000	\$320,000	\$320,000	\$320,000
Waterloo	\$149,000	\$200,000	\$320,000	\$320,000	\$320,000
<b>Townships</b>					
Woolwich	\$10,000	\$25,000	\$35,000	\$50,000	\$50,000
Wilmot	\$10,000	\$25,000	\$35,000	\$50,000	\$50,000
Wellesley	\$ -	\$5,000	\$10,000	\$20,000	\$20,000
N. Dumfries	\$ -	\$5,000	\$10,000	\$20,000	\$20,000
<b>ROW</b>	<b>\$468,000</b>	<b>\$684,000</b>	<b>\$900,000</b>	<b>\$900,000</b>	<b>\$900,000</b>
<b>Total:</b>	<b>\$954,315</b>	<b>\$1,344,000</b>	<b>\$1,950,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>

To accomplish its goals, it is expected that the new WREDC will determine its strategic priorities based on the available budget and staff resources.

### **3. Advancing the East Side Strategic Employment Lands in Cambridge for development readiness**

A key element in attracting and retaining employers in a competitive global economy is ensuring the region has an adequate supply of development ready employment land. Waterloo region already has approximately 650 hectares (1,600 acres) of land, including vacant land and under-utilized buildings, ready for new businesses and business expansion. However, in response to a shortage of large properties (i.e. 8

hectares or more) for uses like advanced manufacturing, and assembly and processing plants, Regional Council prioritized the development of the East Side Employment Lands in collaboration with the City of Cambridge.

The East Side Lands (Stage 1) are east of the Grand River in Cambridge, immediately south of the Region of Waterloo International Airport, and just north of Highway 401.

In April 2014, the City of Cambridge, the Region of Waterloo and the Grand River Conservation Authority (GRCA) approved a Master Environmental Servicing Plan (MESP) and Community Plan for the East Side Lands. The MESP was the culmination of 10 years of study and public consultation by the City of Cambridge, the Region and the GRCA. It included a detailed road, water and sewer infrastructure plan, Grand River Transit connections, subwatershed studies, and a flexible phasing strategy. The MESP also satisfied a variety of requirements under the Environmental Assessment Act.

The City of Cambridge is now initiating the process to make the necessary amendments to its Official Plan and Zoning By-law to have lands designated and zoned for employment development. The first phase (Stage 1) of East Side Lands is expected to bring about 300 hectares (740 acres) of new employment land to market as soon as late 2015 or early 2016.

Work is also underway by Regional staff to develop an aviation/aerospace employment cluster at the Region of Waterloo International Airport, located in Woolwich Township, which could have a significant impact on new job creation and business location in the East Side. This cluster would build on the business activity already occurring at the Regional Airport. As well, work continues to facilitate and develop the employment lands within other areas of the region, such as the employment lands along Highway 7/8 in Wilmot Township.

#### **4. Regional Participation in Facilitating Employment Land Availability**

The Provincial Municipal Act determines the role and responsibilities of the local municipal governance, including the “spheres of jurisdiction” for the Region and Area Municipalities. In December 2013, Regional Council endorsed a recommendation requesting that the Province of Ontario amend the Municipal Act to add the Regional Municipality of Waterloo to the list of Upper-tier Municipalities that are assigned authority to acquire, develop, and dispose of sites for industrial, commercial and institutional uses. In early 2014, all of the seven Area Municipalities endorsed similar resolutions.

As a result of the collective municipal support for this proposed amendment, a letter was sent on March 6, 2014 to the Minister of Municipal Affairs and Housing and the Minister of Finance to formalize this request. The letter requested that the Table in Section 11 of

the Municipal Act, 2001, as amended, be revised to add the Regional Municipality of Waterloo to the list of Upper-tier Municipality(ies) assigned “non-exclusive” legislative authority to participate in the assigned sphere of “Acquisition, development, and disposal of sites for industrial, commercial and institutional uses.” This letter was signed by the Regional Chair and included all eight Council resolutions.

In November 2014, The Minister of Municipal Affairs and Housing responded positively to Chair Seiling’s letter, noting that “...this request will be considered as part of the earliest legislative vehicle.” Regional staff will continue to follow-up with senior Provincial staff regarding the timing of the necessary amendment.

## **5. Special Purpose Corporation**

As part of the original 2013 MGP Study, it was also recommended that the creation of a Special Purpose Corporation (SPC) be considered for the purchase, holding and sale of strategic employment lands in Waterloo Region. Regional and Area Municipal staff will continue to evaluate this model. However, most work over 2015 will focus on creating the new WREDC and implementing specific elements of the Strategy.

### **Area Municipal Consultation/Coordination**

The ongoing collaboration related to economic development within Waterloo Region continues through a Steering Committee, consisting of the CAOs of the Area Municipalities and the Region, as well as the CEO of Canada’s Technology Triangle Inc. A Task Force of Regional and Area Municipal economic development staff are also working together to support the Steering Committee.

### **Corporate Strategic Plan:**

This report implements Action 2.3.3: Strengthen the coordination and implementation of economic development activities by clarifying the roles and responsibilities of the Region, Area Municipalities and other key stakeholders (e.g. CTT).

### **Financial Implications:**

The Waterloo Region Economic Development Strategy was cost-shared between the Region and Area Municipal Partners.

The Region of Waterloo Office of Economic Development was established on November 3, 2014, as part of the broader corporate re-organization. The Manager of Economic Development reports directly to the Commissioner of Planning, Development and Legislative Services. Staff in marketing and communications, community planning,

and research and analytics provide additional staff support for the Office of Economic Development.

Funding for the WREDC is the subject of a Budget Issue Paper to be considered by Budget Committee during its 2015 Budget deliberation process.

**Other Department Consultations/Concurrence:**

This report has been reviewed with staff from Finance and Legal Services.

**Attachments:**

Attachment 1 – WREDS Advisory Committee Membership.

Attachment 2 – Waterloo Region Economic Development Strategy Executive Summary.

Attachment 3 – Roles and Responsibilities (as completed to date with Task Force input).

Attachment 4 – WREDC Value for Money Analysis.

Attachment 5 – Selection Committee Members.

**Prepared By:** John Hill, Principal Planner

**Approved By:** Michael Murray, Chief Administrative Officer

**Rob Horne**, Commissioner, Planning, Development and Legislative Services

**Attachment 1- WREDS Advisory Committee Membership, 2014**

Gerry Remers	President & COO	Christie Digital Systems Canada, Inc.
Bruce Gordon	Chairman	Manulife Canada, Manulife Bank, Manulife Trust
Carol Leaman	President & CEO	Axonify
Carol Simpson	Executive Director	Workforce Planning Board of Waterloo Wellington Dufferin
Craig Beattie	Partner	Perimeter Development Corporation
Ed Roberts	President	Conestoga-Rovers & Associates (CRA)
Greg Durocher	President & CEO	Cambridge Chamber of Commerce
Ian McLean	President/CEO	Greater Kitchener Waterloo Chamber of Commerce
Iain Klugman	President & CEO	Communitech
Kevin Martin	President	Martin's Family Fruit Farm
Malcolm Matheson	President	Steed and Evans Limited
Mark Derro	Dean	Conestoga College
Mary D'Alton	President & Managing Director	Waterloo Inn and Conference Hotel
Michael Duschenes	Chief Operating Officer	Perimeter Institute
Michael Pley	Chief Executive Officer	COM DEV International Ltd.
Tim Jackson	Senior Advisor	MaRS Centre for Impact Investing

## Attachment 2 – Waterloo Region Economic Development Strategy Executive Summary

# EXECUTIVE SUMMARY

*The Waterloo Region Economic Development Strategy has been created with the input of many people and organizations. This includes councillors and staff of the Region of Waterloo and the 7 Area Municipalities, an Advisory Committee of private sector leaders, the Board of Canada's Technology Triangle Inc. (CTT), representatives of the region's economic sectors and the public at large. The result has been an economic development strategy that is fact based and which reflects the collaborative and innovative spirit of Waterloo region.*

### Strategic Context

**Waterloo region is strong.** The region has long had a successful economy that has grown and prospered by combining strong educational and research institutions and a locally inspired innovative, collaborative, and entrepreneurial ethic. This has stimulated strong and diverse companies in the Information, Communication and Technology sectors and in Advanced Manufacturing and Financial Services. Many companies and institutions have a global reach and perspective. These strong sectors are also consistent with an evident competitive advantage in the global value chain. These advantages are supported by a high quality of life and distinctive regional character.

However, **Waterloo region's economic context is changing.** The regional GDP growth is expected to slow over the short term, and to be exceeded by other Canadian and Ontario cities. While Waterloo region has enviable success, a strong economic base and an attractive location, other areas within the Greater Golden Horseshoe, and elsewhere, are competing for the same growth sectors that are represented in Waterloo region.

But **Waterloo region can and must respond to the challenge.** All of the elements that have made the region a powerful economic location continue to be available to attract people, ideas, capital, jobs, and success. What is required is an assertive, focused, proactive deployment of these assets to meet the challenge and to ensure a sustainable and high performance region.

### Vision

The Vision for Waterloo region is embodied in a statement that reflects the strengths and aspirations of the region.

Over the course of consultation with many stakeholders in Waterloo region, there were common themes that emerged in various contexts. These themes included:

- A tradition of collaborative effort;
- A tradition of innovation and entrepreneurship;
- A diversity of philosophy, talent, and civic tradition; and,
- A perspective that is both local and outward looking.

The resulting Vision statement is:

*“To be Locally Rooted, Internationally Competitive, and Globally Renowned”*

## Strategic Goals & Objectives

Realizing this Vision will require the achievement of four Strategic Goals, each with their own Strategic Objectives:

**Goal 1: To be the premier location for innovation and entrepreneurship.**

### Objectives:

- To continue to expand the role of the post-secondary institutions in innovation and entrepreneurship.
- To strengthen the culture of innovation within existing businesses and organizations.
- To attract new, high quality, promising, innovative organizations and businesses.
- To establish aggressive targets for expanding existing business, attracting new businesses, and start-ups.
- To promote international recognition as a world class community.

**Goal 2: To be the most competitive location for new and expanding companies and institutions.**

**Objectives:**

- To communicate a compelling value proposition to foreign and domestic companies and institutions.
- To ensure a continuous and immediately available supply of diverse locations for new and expanding businesses.
- To ensure competitive costs of location, attracting talent, and doing business.
- To make full use of all relevant programs available from other levels of government.
- To ensure fast and effective municipal decision making.
- To create the most efficient transportation system to meet the needs of a growing regional economy.
- To ensure that all local infrastructure is sufficient to meet the needs of Waterloo region.

**Goal 3: To be a resilient, engaged, and dynamic economic ecosystem.**

**Objectives:**

- To support and stimulate new and existing high growth sectors.
- To support and stimulate strong traditional employment sectors.
- To ensure a robust service sector that supports a healthy, growing economy.
- To nurture small and medium sized enterprise (SME).
- To leverage the region's post-secondary institutions to the fullest extent.
- To support the growth, long-term viability, and vibrancy of Waterloo region's Agriculture, agribusiness and agri-food sector.

**Goal 4: To be a community of choice for talented people.**

**Objectives:**

- To become recognized as a major location for art and culture.
- To create a sustainable, efficient region that anticipates growth.
- To ensure an appropriate mix of housing that reflects the needs and aspirations of current and future residents.
- To build on excellence in local education.

## Employment Growth Target

Employment within Waterloo region is forecast by the Provincial Growth Plan to increase by 50% over the next 30 years. A 10 year growth target for Waterloo region is an increase of 52,000-62,000 jobs.

## Implementation

Implementation of the WREDS will require an organizational framework that can lead the execution of a comprehensive strategy, and ensure the maximum alignment among municipal, regional, institutional and private organizations that have an ongoing role in the attraction of investment to Waterloo region.

It is proposed that a new Waterloo Region Economic Development Corporation be established to oversee the coordination and implementation of economic development. It is proposed that this non-profit organization be “owned” by the Region of Waterloo, Cities of Waterloo, Kitchener and Cambridge and the Townships of Woolwich, Wilmot, Wellesley and North Dumfries.

### Attachment 3 – Roles and Responsibilities

The Task Force, which includes Regional and Area Municipal economic development staff and a CTT representative, refined a list of specific roles and responsibilities for the WREDC, the Area Municipalities, and the Region, which correspond directly with the Goals and Actions of the WREDS.

### WREDC ROLES AND RESPONSIBILITIES

The Waterloo Region Economic Development Strategy identified the need for a new WREDC. It also proposed a broad set of roles for the WREDC, which would help the new organization support regional economic development. Stakeholders agree that the key responsibilities of the new WREDC include investment attraction, regional promotion, sector development, and entrepreneurship. There is also broad agreement that the new organization needs to complement and support the collaborative efforts of the Area Municipal economic development teams. Over the coming months, the Task Force will work to identify the specific role differences between the WREDC and the municipal economic development teams. One opportunity for instance is to understand how local marketing efforts can be complemented by a coordinated regional economic development brand.

The Waterloo Region Economic Development Strategy identifies the key roles and responsibilities of the WREDC as:

- ⇒ Role 1: Management of the regional economic development strategic plan
- ⇒ Role 2: Investment attraction to the region
- ⇒ Role 3: Trade development
- ⇒ Role 4: Supporting key growth sectors on a strategic basis
- ⇒ Role 5: Communications, promotion and marketing
- ⇒ Role 6: Targeted talent development efforts
- ⇒ Role 7: Region-wide entrepreneurship development
- ⇒ Role 8: Support for rural economic development in the region
- ⇒ Role 9: Building and maintaining the economic development stakeholder network/  
ecosystem
- ⇒ Role 10: Coordination of regional economic development strategic planning and  
implementation

These roles are further refined below.

## Alignment of WREDC strategy, focus and resources

Regional economic development agencies tend to be by necessity broad-based. This means they take on a wide range of responsibilities relative to allocated resources. To manage its portfolio effectively, the Board of Directors and leadership of the WREDC will have to be strategic when allocating resources against each area of responsibility. Some activities, such as investment attraction, will require a more proactive approach while other areas, such as support for key growth sectors, may be more reactive.

### The WREDC and the Waterloo Region Economic Development Strategy (WREDS)

The new WREDS includes a considerable number of detailed action items some of which are proposed to be the direct responsibility of the WREDC. In its first year of operations, the WREDC focus will be on reviewing the regional strategy and developing a work plan addressing the goals, objectives and action items.

The following table outlines the proposed roles of the WREDC under the goals of the WREDS. The deliverables describe how the organization could provide leadership and add measurable value to each area of responsibility.

WREDS Goal #1: To be the premier location for innovation and entrepreneurship		
WREDC Role:	Deliverables:	Alignment with WREDS:
- <b>Develop region-wide entrepreneurship (New)</b>	- Work with stakeholders in the region to ensure consistent service levels and coordination of all aspects of entrepreneurship development (i.e. storytelling, training, financial assistance, venture capital, mentoring, etc.)	Actions: 1.1.1, 1.4.1  Priority: Medium  Initiate: 2016
- <b>Identify and support key growth sectors on a strategic basis (New)</b>  <i>The focus here must be on identifying ways that the WREDC can add value.</i>	- Determine key growth sectors where regional stakeholder support could add real value. Develop a regional approach including stakeholders (e.g. investment attraction, fostering entrepreneurship, talent needs, research institutions/centres, etc.)	Actions: 1.1.2, 1.2.1, 1.2.3, 1.3.1  Priority: Medium  Initiate: 2017-2019
	- Develop key growth sectors action plans	Actions: 3.1.1, 3.2.2

	with related stakeholders	Priority: High Initiate: 2016
	- Implement BR&E effort for regionally significant sectors and businesses in partnership with Area Municipalities	Actions: 3.4.1 Priority: Medium Initiate: 2017-2019
	- Monitor local business issues and coordinate programs to address regional needs, in collaboration with the Area Municipalities	Actions: 2.1.1, 2.2.1 Priority: High Initiate: 2016

<b>WREDS Goal #2: To be the most competitive location for new and expanding companies and institutions</b>		
<b>WREDC Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
<p>- <b>Attracting investment to the region (Enhanced)</b></p> <p><i>Including the building of strong partnerships with both provincial and federal government investment attraction teams.</i></p> <p><i>'Investment' in 2014 is broader than just attracting greenfield (i.e. new expansion) projects. It can include the attraction of investors to provide capital and expertise for existing high growth potential entrepreneurs. It can include the attraction of research opportunities as well.</i></p>	- Develop a targeted investment attraction plan	Actions: 1.3.1, 1.3.2, 1.5.1, 2.1.1 Priority: High Initiate: 2016
	- Prepare the value proposition for investment attraction into key growth sectors	Actions: 2.1.1 Priority: High Initiate: 2016
	- Ensure an available land and buildings inventory is accessible and a key asset in the sales process	Actions: 2.2.1 Priority: High Initiate: 2015
	- Conduct investment readiness analysis with the municipalities and key industries	Actions: 2.5.1, 2.6.1, 2.7.1 Priority: High Initiate: 2015
- <b>Developing Trade (New)</b>	- Organize trade missions for key growth sectors in conjunction with provincial and federal government trade teams;	Actions: 3.1.2

<i>value added efforts.</i>	identify target sectors and target geographic areas	Priority: High Initiate: 2016
<ul style="list-style-type: none"> <li>- <b>Coordinating regional communications, promotion and marketing (New)</b></li> <li>- <i>The raw data should come mostly from the Region of Waterloo – Office of Economic Development</i></li> </ul>	<ul style="list-style-type: none"> <li>- Coordinate and create a communications plan designed to tell the Waterloo Region story to a broad range of target audiences (investors, talent, trade offices, tourists, senior levels of government)</li> </ul>	Actions: 3.1.2 Priority: High Initiate: 2016
	<ul style="list-style-type: none"> <li>- Develop and implement products and initiatives, including but not limited to:                             <ul style="list-style-type: none"> <li>- Regional profile</li> <li>- Regional business directory</li> <li>- Website</li> <li>- Sector profiles</li> <li>- Regular business update communication</li> <li>- Land development and real estate</li> </ul> </li> </ul>	Actions: 3.1.2, 2.1.1, 2.2.1, 2.2.2, 2.3.1 Priority: Medium Initiate: 2016

<b>WREDS Goal #3: To be a resilient, engaged, and dynamic economic ecosystem</b>		
<b>WREDC Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
<ul style="list-style-type: none"> <li>- <b>Managing the implementation of the regional economic development strategic plan (New)</b></li> </ul> <p><i>There is a significant coordination role associated with the new strategy as activities are distributed across many different organizations. The WREDC should play this role.</i></p>	<ul style="list-style-type: none"> <li>- Develop key performance indicators (KPIs)</li> </ul>	Actions: n/a Priority: High Initiate: 2015
	<ul style="list-style-type: none"> <li>- Coordinate and manage regular meetings with partner municipalities to ensure ongoing coordination of activities</li> </ul>	Actions: 2.5.1 Priority: High Initiate: 2015
	<ul style="list-style-type: none"> <li>- Report annually to the Councils of all partner municipalities on the organizations results, challenges and strategic direction</li> </ul>	Actions: n/a Priority: High Initiate: 2016

<p>- <b>Building and maintaining the economic development stakeholder network/ecosystem (Enhanced)</b></p>	<p>- Ensure partner organizations (those implicated in the regional economic development strategy) are involved in the implementation of the strategy. Provide ongoing feedback.</p>	<p>Actions: 2.5.1 Priority: High Initiate: 2015</p>
	<p>- Maintain updated knowledge of public- and private-sector programs (funding) and update area municipalities in a coordinated way</p>	<p>Actions: 2.4.1 Priority: Medium Initiate: 2016</p>
	<p>- Address any regional economic development-related policy issues</p>	<p>Actions: n/a Priority: Medium Initiate: 2016</p>
<p>- <b>Promote a sustainable rural and urban fabric (New)</b></p> <p><i>It was clear there is a gap in economic development efforts in rural areas around the region.</i></p>	<p>- Dedicate resources and research rural township issues – liaison, advocacy, inclusion and support to local economic development initiatives</p>	<p>Actions: 3.6.1, 3.6.2, 3.3.2 Priority: Medium Initiate: 2016</p>

WREDS Goal #4: To be a community of choice for talented people		
WREDC Role:	Deliverables:	Alignment with WREDS:
<p>- <b>Develop and attract talent (New)</b></p> <p><i>Need to tightly define the role here. It is a critical issue to the future prosperity of the region but there are many government, education, business groups and NGOs involved.</i></p>	<p>- Assess talent needs in key growth sectors and communicate with key labour market development partners</p>	<p>Actions: 4.4.1, 4.4.2 Priority: High Initiate: 2016</p>
	<p>- Organize talent attraction missions in key markets</p>	<p>Actions: n/a Priority: High Initiate: 2016</p>
	<p>- Work with municipalities and townships on retention lifestyle issues</p>	<p>Actions: 4.1.1, 4.2.2, 4.2.3, 4.3.1 Priority: Medium Initiate: 2017-2019</p>

## The Area Municipalities and Economic Development: Roles

The economic development strategy recommends that the WREDC enter into service or partnership agreements with the regional Area Municipalities, which would define the specific economic development roles and responsibilities of all parties involved. It is important that partner municipalities and allied organizations agree on their specific roles to avoid duplication and to ensure the efficient use of resources. It is expected that the focus of the Area Municipalities will continue to be on the economic development-related activities that are local in scope. These activities are often too complicated and varied to organize effectively at a regional level, especially when there is already strong expertise within the Area Municipalities for them. After consulting with the Area Municipalities, the following high-level list of roles was developed.

<b>WREDS Goal #1: To be the premier location for innovation and entrepreneurship</b>		
<b>Municipality Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Key sector development and business support related to municipal priority areas</b>	- There are sectors that are of greater interest to specific area municipalities.	Actions: Multiple Priority: High Initiate: Ongoing

<b>WREDS Goal #2: To be the most competitive location for new and expanding companies and institutions</b>		
<b>Municipality Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Investment attraction support</b>	- While many of the factors that drive site selection are regional, a company looking at a Waterloo Region location can choose between municipalities, neighbourhoods, and real estate options. While the WREDC is making the regional 'pitch' for investment attraction and key growth industry expansion, it is important for the municipalities to have the local information and compelling 'pitch' in order to close the deal.	Actions: Multiple Priority: High Initiate: 2015

	- Each municipality will need available land and building options to attract investment.	Actions: 2.2.1 Priority: High Initiate: 2015
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<b>WREDS Goal #2: To be the most competitive location for new and expanding companies and institutions</b>		
<b>Municipality Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Downtown, Central Transit Corridor and industrial/commercial park development</b>  *In partnership with the Office of Economic Development	- This type of development is important for attracting the talent and investment central to truly vibrant communities.	Actions: Multiple Priority: High Initiate: 2015
- <b>Local marketing efforts</b>	- To promote the attributes of the municipalities within the region.	Actions: Multiple Priority: Medium Initiate: 2015

<b>WREDS Goal #3: To be a resilient, engaged, and dynamic economic ecosystem</b>		
<b>Municipality Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Economic development advocacy within the municipal government</b>	- This is important to ensure alignment of economic development with overall priorities.	Actions: Multiple Priority: High Initiate: 2016

<b>WREDS Goal #4: To be a community of choice for talented people*</b>		
<b>Municipality Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
<b>Arts and culture development efforts</b>	- A dynamic and vibrant arts and cultural scene.	Actions: 4.1.1 Priority: Medium Initiate: 2017-2019
<b>Sense of place/quality of life</b>	- Downtown development, rural communities, livability.	Actions: 4.2.2 Priority: Medium Initiate: 2017-2019
<b>Integrating new Canadians</b>	- New Canadians feel welcome and integrate into local communities.	Actions: 4.4.2 Priority: High Initiate: 2016

## **Region of Waterloo – Office of Economic Development: Roles**

The Region of Waterloo Office of Economic Development is a new partner in the regional economic development ecosystem. Rather than duplicating the front line services being delivered by the WREDC and the Area Municipal economic development departments, the proposed role for the Office of Economic Development (OED) is mostly supportive in nature. The OED would contribute by becoming a resource for the coordinated regional and municipal economic development efforts. It is uniquely positioned to help address large-scale transportation, goods movement, planning and servicing needs, as well as to ensure consistency in data gathering, information sharing, and monitoring. Activities would include:

<b>WREDS Goal #1: To be the premier location for innovation and entrepreneurship</b>		
<b>Office of Econ. Dev. Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Provide data and research support for economic development</b>	- The planning team within the Region of Waterloo maintains a large repository of data specific to the regional economy and has significant expertise in research based policy development. This expertise and data can be leveraged to support the ongoing business case for municipal investment in	Actions: 2.1.1, 4.2.2 Priority: Medium Initiate: 2016

	economic development. One example service is regional maps showing concentrations of key assets, talent and real estate opportunities.	
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<b>WREDS Goal #2: To be the most competitive location for new and expanding companies and institutions</b>		
<b>Office of Econ. Dev. Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Develop a Central Transit Corridor Investment Strategy in partnership with the Area Municipalities</b>	- Develop a corridor-wide investment strategy - Pilot new incentive programs	Actions: Multiple  Priority: High  Initiate: 2015
- <b>Key growth sector analysis</b>	- This could include: - Economic base analysis - Surveys and analysis (wages, etc.)	Actions: 1.1.2, 1.2.1, 1.2.3  Priority: Medium  Initiate: 2016
- <b>Inventory of available urban and greenfield land</b>	- Across the region for economic development purposes (i.e. employment lands).	Actions: 2.2.1, 2.2.2  Priority: Medium  Initiate: 2015

<b>WREDS Goal #3: To be a resilient, engaged, and dynamic economic ecosystem</b>		
<b>Office of Econ. Dev. Role:</b>	<b>Deliverables:</b>	<b>Alignment with WREDS:</b>
- <b>Economic development advocacy within the Region of Waterloo</b>	- The OED would help businesses and projects navigate the regional government to ensure decisions are made in a timely manner. It should ensure that economic development priorities are aligned with the broader plans for Waterloo Region.	Actions: 2.3.1  Priority: Medium  Initiate: 2015
- <b>Promote a sustainable rural</b>	- To achieve consistent levels of service in the rural areas to support	Actions: 3.3.4

<b>and urban fabric</b>	entrepreneurship, business retention, investment attraction, marketing and capacity building. The Townships are in a unique position where they are encouraging the economic vitality of their complete communities, while simultaneously protecting a rural way of life.	Priority: Medium Initiate: 2016
- <b>Aligning the regional economic development strategy and planning priorities and servicing needs</b>	<ul style="list-style-type: none"> <li>- At a Regional level</li> <li>- Promoting the Region of Waterloo International Airport</li> <li>- Preparing the East Side Strategic Employment Lands with the City of Cambridge for new development opportunities</li> </ul>	Actions: 2.1.1  Priority: Medium  Initiate: 2016

## Allied organizations in the regional economic development strategy

The new Waterloo Region Economic Development Strategy is *a regional strategy*, rather than simply a *guiding document* for a single organization such as the WREDC. The benefit of this approach is that it brings together a wide range of stakeholders, which together can have a much bigger impact compared to a single organization working alone. However, this approach presents challenges because the WREDC will have limited control over many of the outcomes. It is likely to have a smaller budget and fewer resources than many of its partners, yet it is intended to play the leadership and coordinating role, and to report on progress and results. Its allied organizations include:

- ⇒ Area Municipalities
- ⇒ Region of Waterloo
- ⇒ Accelerator Centre® and Communitech
- ⇒ Business groups
- ⇒ Chamber(s) of Commerce
- ⇒ Waterloo Region Tourism Marketing Corporation
- ⇒ Creative Enterprise Initiative
- ⇒ Post-secondary educational institutions
- ⇒ Small business centres
- ⇒ Sustainable Waterloo Region
- ⇒ Workforce Planning Board

⇒ Others

Attachment 4 - WREDC Value for Money Analysis

WREDC Value for Money		ECONOMIC DEVELOPMENT FUNCTIONS (EXAMPLES)				
		WREDS– Coordination and Implementation	Communication, Marketing and Promotion	Investment Attraction	Key Business Sector Development Activities	Information, Data and Research
E V A L U A T I O N	Economy	<ul style="list-style-type: none"> <li>- Dedicated resources for the coordination and implementation of the WREDS</li> <li>- Less time/expense and effort associated with an uncoordinated approach</li> <li>- Will avoid overlap and/or missed opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Region-wide, targeted communication and marketing pieces by the WREDC will allow municipalities to free up resources for other priorities</li> </ul>	<ul style="list-style-type: none"> <li>- Will tie investment attraction activities to the WREDS</li> <li>- Associated research (focused, and targeted) will ensure that the limited funds can be carefully used where most impactful</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced program of sector identification &amp; development activities</li> <li>- Individual municipalities will not need to fill the gap when a need is determined</li> </ul>	<ul style="list-style-type: none"> <li>- Distilling key data/research and other information for application in an economic development context</li> <li>- Will add credibility and value to the marketing/communication component</li> </ul>
	Efficiency	<ul style="list-style-type: none"> <li>- A new function that does not currently exist region-wide</li> <li>- Uniquely positioned and resourced to be the primary contact and liaison for initiatives identified in the WREDS</li> </ul>	<ul style="list-style-type: none"> <li>- Coordinate and develop materials for all partners</li> <li>- Key messages and priorities will be disseminated region-wide illustrating how the entire Region functions as a cohesive unit</li> </ul>	<ul style="list-style-type: none"> <li>- Coordination of investment attraction activities (both foreign and domestic) among the various economic development partners</li> </ul>	<ul style="list-style-type: none"> <li>- Addressing sector identification &amp; development at a regional scale</li> <li>- Will ensure that efforts are coordinated and efficient (thus eliminating duplicate or overlapping initiatives)</li> </ul>	<ul style="list-style-type: none"> <li>- A central location and defined responsibility for key economic information</li> <li>- Will save individual municipalities' time and free up resources for other initiatives</li> </ul>

WREDC <i>Value for Money</i>		<b>ECONOMIC DEVELOPMENT FUNCTIONS (EXAMPLES)</b>				
		<b>WREDS– Coordination and Implementation</b>	<b>Communication, Marketing and Promotion</b>	<b>Investment Attraction</b>	<b>Key Business Sector Development Activities</b>	<b>Information, Data and Research</b>
	<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>- Increased accountability for progress resulting from dedicated resources, and a clear mandate</li> <li>- New opportunities will be uncovered as new levels of coordination are achieved</li> </ul>	<ul style="list-style-type: none"> <li>- Effective communication of a unified regional message</li> <li>- Consolidated “brand” and consistent Waterloo Region Story</li> <li>- Speaking with one voice</li> <li>- Lesser-known areas and related opportunities will be tied to the overall strength of the Region</li> </ul>	<ul style="list-style-type: none"> <li>- Pairing investment attraction activities with the broader mandate for the WREDC</li> <li>- Activities will be aligned with goals, research, objectives and activities outlined by the WREDS</li> <li>- An enhanced ability to lobby upper levels of government and make application for additional sources of program funding</li> </ul>	<ul style="list-style-type: none"> <li>- The WREDC will work with all the various agencies to achieve common objectives – coordinating activities with the actions identified in the WREDC</li> <li>- Address challenges that are currently framed by municipal boundaries and therefore limit and/or eliminate opportunities (e.g. services, infrastructure).</li> <li>- Enhanced ability to secure funding</li> </ul>	<ul style="list-style-type: none"> <li>- A standard format economic development related information</li> <li>- Will provide a base that others can build from</li> <li>- Municipalities will not need to outline the regional context, but can rather focus on the information pertinent to their own municipality</li> </ul>

**Attachment 5 – Board Selection Committee Membership****Municipal Representatives**

Berry Vrbanovic	Mayor	City of Kitchener
Dave Jaworsky	Mayor	City of Waterloo
Doug Craig	Mayor	City of Cambridge
Ken Seiling	Regional Chair	Region of Waterloo
Sandy Shantz	Mayor	Township of Woolwich

**Volunteer Members from the Economic Development Advisory Committee**

Bruce Gordon	Chairman	Manulife Canada, Manulife Bank, Manulife Trust
Greg Durocher	President & CEO	Cambridge Chamber of Commerce
Ian McLean	President/CEO	Greater Kitchener Waterloo Chamber of Commerce
Mary D'Alton	President & Managing Director	Waterloo Inn and Conference Hotel
Tim Jackson	Senior Advisor	MaRS Centre for Impact Investing



Report: COR-TRY-15-13

## Region of Waterloo

## Corporate Services

## Treasury Services

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**To:** The Chair and Members of the Economic Development and Promotion Committee

**Date:** February 11, 2015

**File Code:** F25-01

**Subject:** Approach to Economic Development and Promotion Grants

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### Recommendation:

For Discussion

### Summary:

Nil

### Report:

#### Background

The Region's operating budget includes an annual provision of \$154,000 for Economic Development and Promotion funded from the property tax levy. Of the \$154,000, \$10,000 is intended for the maintenance and refurbishing of the Regional float leaving a balance of \$144,000 for grants and other promotional activities.

Grants for economic development and promotion are administered by the Economic Development and Promotion (EDP) Committee and the approved grants are typically for:

- events that provide an economic benefit to the Region
- organizations that foster economic development

While the Region currently has a policy on Financial Assistance for Events Providing an Economic Benefit to the Region (attached as Appendix 1) there is no specific policy on grants for organizations that foster economic development. Economic Development and promotion grants (EDP grants) have typically been approved for five (5) groups on an annual basis. One time EDP grant requests have also been considered during the annual

review. Applications for annual EDP grants are generally sent out mid-March with a due date of April. A meeting of EDP Committee is then scheduled for May or June with Council approval and payment of approved grants completed by mid-year.

A history of EDP Budget and Grants from 2008-2014 is attached as Appendix 2.

EDP grants are just one of the several economic development initiatives currently funded by the Region. Annual support to Canada's Technology Triangle Inc., Communitech, and the Waterloo Region Tourism and Marketing Corporation assists with attracting new businesses, developing economic partnerships, supporting the continued development of the tech sector and promoting the Region as a tourism destination. In addition, the Region's Brownfield Financial Incentive Program includes a number of initiatives to promote remediation and redevelopment of existing brownfield sites.

### **Approach to EDP Grants**

Over the past several years, EDP Committee has indicated a need to review the approach to Economic Development and Promotion grants. The issues that have been raised by EDP Committee include:

- Reducing grants or phasing-out of grants for agencies that are maturing, building equity and tuning a profit over time; (2012)
- Greater emphasis on economic development rather than promotion; (2013)
- Scaling back grants where organizations have a healthy balance sheet; (2014)
- Funding of community festivals may require a policy; (2014)
- Review of the Committee's mandate to ensure the focus is economic development (2014)

Given the issues raised by EDP Committee over the years, including the need to review the approach to EDP grants, staff are bringing the matter forward to Committee for discussion in advance of approval of the 2015 operating budget and the EDP grants process for 2015.

### **Corporate Strategic Plan:**

While not directly linked to the Corporate Strategic Plan, Economic Development and Promotion grants align with the Growth Management Focus Area and the objective of fostering a diverse and globally competitive economy.

### **Financial Implications:**

The 2015 base budget currently includes \$154,000 for Economic Development and Promotion grants. While \$10,000 is intended for the maintenance and refurbishing of the Regional float and \$144,000 for grants and other promotional activities, the entire \$154,000 has been used for grants over the past few years. The \$154,000 of funding is

unchanged since 2012.

**Other Department Consultations/Concurrence:** Nil

**Attachments:**

Appendix 1 – Policy on Financial Assistance for Events having an Economic Benefit to the Region

Appendix 2 – History of EDP Budget and Grants from 2008-2014

**Prepared By:** Angela Hinchberger, Director of Treasury Services/Deputy Treasurer

**Approved By:** Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer

## Appendix 1

**The Regional Municipality of Waterloo**  
**Policy on Financial Assistance For Events Providing**  
**An Economic Benefit to The Region**

**Policy Objective**

The Regional Municipality of Waterloo recognizes that certain events held in the Region of Waterloo may provide an economic benefit to Region and the area municipalities. As such, Regional Council has adopted a policy, as recommended by the Economic Development and Promotion Committee, with respect to providing financial assistance for these events. Financial assistance provided under this policy may be in the form of cash grants, transit services or other in-kind services.

The objective of the policy is to ensure that funding assistance is provided in accordance with an established set of criteria and processes. In addition, the policy recognizes that the economic benefits to the community may change over time and the financial assistance provided to events should reflect the changes.

This policy is specific to financial assistance for events having an economic benefit to the Region. Grants for voluntary organizations; capital grants for hospitals; grants for disaster relief activities; and grants for events taking place at the invitation of Regional Council are covered under separate policies of Regional Council.

**Legislative Authority**

Section 107(1) of the Municipal Act:

Despite any provision of this or any other Act relating to the giving of grants or aid by a municipality, subject to section 106, a municipality may make grants, on such terms as to security and otherwise as the council considers appropriate, to any person, group or body of any kind, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interest of the municipality.

**Approval**

This policy was approved by Regional Council on September 24<sup>th</sup>, 2003.

## 1) Criteria

The following criteria will be considered when reviewing requests for financial assistance for events having an economic benefit:

- events are to be one-time events or special events being held in the Region;
- objectives and values of the event are to be consistent with those of the Region;
- events are to be non religious / non–denominational;
- events should provide a quantifiable economic benefit to the region;
- sponsorship of the event by charitable or non-profit organizations which does not in-turn provide grants to other organizations;
- use of the proceeds from the event;
- planned use of financial assistance requested from the Region (assistance not provided to cover deficits);
- the appeal of the event to a broad sector of persons;
- the accessibility of the event for spectators;
- the ability of the event to bring people into the Region;
- the ability of the event to result in repeat visits by those attending;
- the ability of the event to enhance the Region’s image;
- the ability of the event to promote the Region within and beyond its boundaries;
- media coverage for the event (including television, newspaper and radio);
- how the Region’s support would be recognized;
- the heritage, cultural or recreational significance of the event;
- overlap with other Regionally funded programs (e.g. Grants to Voluntary Organizations);
- other sources of funding for the event.

It is recognized that some of the above criteria will be difficult to quantify or measure and there will need to be some reliance on the organization making the request to provide such information.

For specific requests for Transit Services or for opportunities to provide transit services in lieu of a cash grant, consideration will also be given to the ability of the event to create additional riders for Grand River Transit.

## **2) Amount of Financial / In-Kind Assistance**

Unless otherwise approved, \$5,000 is the maximum financial assistance to be provided as either cash or services in-kind for events having an economic benefit.

In-kind assistance in the form of advertising on the Region's buses may be available subject to certain limitations. Use of exterior space for advertising is a contracted service and while the contractor has the exclusive right to handle the lease of exterior space for advertising, some advertising space may be available at discounted rates. In addition, the Region will provide some of its own exterior advertising space, if available, to a maximum of one community event per area municipality per year. The Region has some rights over the use of interior space for advertising and may provide the use of such space as an in-kind service subject to availability.

## **3) Local / Community Requests for Transit Services**

Grand River Transit will accommodate "smaller" local or community requests for service or charters within the Transit budget. Generally such requests are from charitable, non-profit and community organizations linked to a fund raising campaign or community event.

In reviewing these requests, consideration will be given to the following:

- the nature of the organization as a registered local charitable or non-profit organization;
- the nature of the event as a charitable fund raiser with all funds raised donated to the local organization or a subsidized or "no fee" community event;
- the marketing value of the event;
- the extent of Regional involvement and Regional presence at the event;
- other Regional funding for the group or the event; particularly funding provided through

the Grants to Voluntary Organizations program.

Grand River Transit will accommodate "smaller" local and community requests subject to the following limitations:

- for charitable fund raising events, up to 5 hours free service; services in excess of 5 hours provided at 50% of the full charter rate;

- for non-profit community events, services provided at 50% of the full charter rate for a maximum of 5 hours per event;
- existing annual subsidized services for Oktoberfest, New Years Eve and Seniors Christmas Lights Tour will continue to be provided as per previous arrangements.

**Requests for such services under Section 3 are to be provided at least 30 days in advance and the provision of services is subject to the availability of resources (including funds within the transit budget) and shall not impact on the delivery of regularly scheduled service.**

#### **4) Process for Requesting Financial Assistance**

- a) Requests for financial assistance for events are to be submitted to the Chief Financial Officer by March 1<sup>st</sup> in the year in which the event is to be held. Finance staff will prepare a report on the requests for consideration by the Economic Development and Promotion Committee with recommendations going forward to Regional Council. Requests for financial assistance received after March 1<sup>st</sup> will be considered at the discretion of the Committee. In either case, requests for financial assistance must be submitted no later than 60 days prior to the event. Committee will not consider requests for financial assistance that are received after the event has occurred.
- b) Requests for transit services for local or community events (per Section 3) are to be submitted to the Director of Transit Services. Requests for services received by Grand River Transit that do not fall under Section 3 will be forwarded to the Chief Financial Officer for review by the Economic Development and Promotion Committee per Section 4 a) above.

#### **5) Payment of Funds**

Cash grants may be provided prior to the event or at the completion of the event as recommended by the Economic Development and Promotion Committee and approved by Regional Council and payment is subject to any reporting conditions established by Regional Council.

#### **6) Grants In-Kind**

The awarding of a grant in-kind is subject to any conditions that Regional Council may impose such as insurance, safety of regional employees and participants in the activity and indemnification of the Regional Municipality of Waterloo.

In-kind services will be accounted for once the event has been completed and the final costs for the in-kind services are known.

**7) Use of Funds**

Any financial assistance provided by the Region of Waterloo must be used for the purposes approved by Regional Council unless subsequent approval is given by Regional Council to change the purpose of the assistance.

**8) Recognition of The Region's Contribution**

Organizations receiving financial assistance for an event from the Region of Waterloo will recognize the Region's contribution in promotional literature prepared for the event or other agreeable advertising. Use of the Region's logo in advertising and promotional literature will be coordinated through the Region's Communications Department.

## Appendix 2

## History of EDP Budget and Grants 2008-2014

	2008	2009	2010	2011	2012	2013	2014
Budget for EDP Grants	\$118,000	\$141,000	\$145,000	\$149,400	\$154,000	\$154,000	\$154,000
<b>On-going / Annual Grants</b>							
Business Education Partnership of Waterloo Region	\$6,000	\$7,500	\$7,500	\$8,000	\$8,000	\$8,000	\$8,000
Junior Achievement of Waterloo Region	17,500	20,000	21,500	21,500	21,600	21,600	21,600
Waterloo Region Small Business Centre	48,000	50,000	50,000	50,000	50,000	50,000	50,000
Cambridge Highland Games	5,200	5,400	5,600	5,800	10,000	10,000	10,000
K-W Oktoberfest	45,000	55,000	60,000	65,000	65,000	65,000	65,000
<b>Total Annual Grants</b>	<b>\$121,700</b>	<b>\$137,900</b>	<b>\$144,600</b>	<b>\$150,300</b>	<b>\$154,600</b>	<b>\$154,600</b>	<b>\$154,600</b>
<b>One-time Grants</b>							
2008 Memorial Cup	\$5,000						
2008 RCMP Musical Ride	5,000						
Manufacturing Innovation Network	25,000			15,000			
Magnetic North Theatre Festival		40,000	35,000				
2012 Plowing Match				150,000			
Blind Bowls Association of Canada				1,200			
International Association of Administrative Professionals *					5,000		
Art Gallery Collaborative Marketing Initiative					30,000		
Grand Valley Woodcarvers **							2,000
For Hungarians in Canada Association Festival **							3,000
Kitchener Blues Festival **							5,000
<b>Total One-time Grants</b>	<b>\$35,000</b>	<b>\$40,000</b>	<b>\$35,000</b>	<b>\$166,200</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$10,000</b>
<b>Grand Total</b>	<b>\$156,700</b>	<b>\$177,900</b>	<b>\$179,600</b>	<b>\$316,500</b>	<b>\$189,600</b>	<b>\$154,600</b>	<b>\$164,600</b>